



ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

CELTIC INSURANCE COMPANY

NAIC Group Code	1295	(Current Period)	1295	(Prior Period)	NAIC Company Code	80799	Employer's ID Number	06-0641618
Organized under the Laws of	Illinois				State of Domicile or Port of Entry	Illinois		
Country of Domicile	United States							
Licensed as business type:	Life, Accident & Health [ X ]		Property/Casualty [ ]		Hospital, Medical & Dental Service or Indemnity [ ]			
	Dental Service Corporation [ ]		Vision Service Corporation [ ]		Health Maintenance Organization [ ]			
	Other [ ]		Is HMO, Federally Qualified? Yes [ ] No [ ]					
Incorporated/Organized	05/03/1949		Commenced Business		01/20/1950			
Statutory Home Office	77 W. Wacker Drive, Suite 1200				Chicago, IL, US 60601			
	(Street and Number)				(City or Town, State, Country and Zip Code)			
Main Administrative Office	77 W. Wacker Drive, Suite 1200							
	Chicago, IL, US 60601				800-714-4658			
	(City or Town, State, Country and Zip Code)				(Area Code) (Telephone Number)			
Mail Address	77 W. Wacker Drive, Suite 1200				Chicago, IL, US 60601			
	(Street and Number or P.O. Box)				(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	77 W. Wacker Drive, Suite 1200							
	Chicago, IL, US 60601				800-714-4658			
	(City or Town, State, Country and Zip Code)				(Area Code) (Telephone Number) (Extension)			
Internet Web Site Address	www.celtic-net.com							
Statutory Statement Contact	Danielle M Pope				314-320-2119			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	Danielle.M.Pope@CENTENE.COM				314-725-4658			
	(E-Mail Address)				(Fax Number)			

OFFICERS

Name	Title	Name	Title
Anand A. Shukla	Senior Vice President	David J. Burke	Vice President Treasurer
Karen E. Wegg	Vice President Administration		

OTHER OFFICERS

Barbara Basham	Vice President	John P. Ryan	Vice President
Steele Stewart	Vice President Actuary	Jeffrey A. Schwaneke	Controller
Keith H. Williamson	Secretary	Tricia L. Dinkelman	Vice President of Tax
Aparna Abburi	Senior Vice President		

DIRECTORS OR TRUSTEES

Anand A. Shukla	Tricia L. Dinkelman	David J. Burke	Jeffrey A. Schwaneke
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State of Illinois  
County of Cook

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Anand A. Shukla Senior Vice President	David J. Burke Vice President Treasurer	Karen E. Wegg Vice President Administration
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no:  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

Pedro Galvan, Notary Public  
12/23/2019

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	199,786,624	0	199,786,624	62,900,384
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	26,338,338	0	26,338,338	4,320,166
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0	0	0	0
5. Cash (\$ .....172,547,291 , Schedule E-Part 1), cash equivalents (\$ .....0 , Schedule E-Part 2) and short-term investments (\$ .....67,190,646 , Schedule DA).....	239,737,937	0	239,737,937	24,795,578
6. Contract loans (including \$ ..... premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA) .....	1,269,429	0	1,269,429	1,332,726
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	467,132,328	0	467,132,328	93,348,854
13. Title plants less \$ ..... charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued .....	1,328,389	0	1,328,389	453,986
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	6,242,222	0	6,242,222	2,481,940
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	19,892,987	0	19,892,987	8,448,820
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	864,974	0	864,974	1,522,576
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	12,536,618	0	12,536,618	741,786
18.2 Net deferred tax asset.....	15,948,262	0	15,948,262	3,797,192
19. Guaranty funds receivable or on deposit .....	3,852	0	3,852	16,589
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	84,218,684	19,408,309	64,810,375	28,273,282
24. Health care (\$ .....4,269,854 ) and other amounts receivable.....	13,620,497	9,350,643	4,269,854	810,902
25. Aggregate write-ins for other-than-invested assets .....	267,994	267,994	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	622,056,807	29,026,946	593,029,861	139,895,927
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	622,056,807	29,026,946	593,029,861	139,895,927
DETAILS OF WRITE-INS				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid expenses.....	267,994	267,994	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	267,994	267,994	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....4,191,068 reinsurance ceded)	.....107,255,508	.....0	.....107,255,508	.....34,342,185
2. Accrued medical incentive pool and bonus amounts .....	.....610,931	.....0	.....610,931	.....140,956
3. Unpaid claims adjustment expenses .....	.....1,664,877	.....0	.....1,664,877	.....433,287
4. Aggregate health policy reserves, including the liability of \$ .....9,348,047 for medical loss ratio rebate per the Public Health Service Act.....	.....19,136,131	.....0	.....19,136,131	.....9,534,148
5. Aggregate life policy reserves .....	.....4,012,246	.....0	.....4,012,246	.....4,096,821
6. Property/casualty unearned premium reserves .....	.....0	.....0	.....0	.....0
7. Aggregate health claim reserves.....	.....0	.....0	.....0	.....0
8. Premiums received in advance .....	.....44,681,266	.....0	.....44,681,266	.....23,416,245
9. General expenses due or accrued .....	.....14,936,364	.....0	.....14,936,364	.....3,517,431
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)).....	.....0	.....0	.....0	.....0
10.2 Net deferred tax liability .....	.....0	.....0	.....0	.....0
11. Ceded reinsurance premiums payable .....	.....5,750,496	.....0	.....5,750,496	.....1,825,898
12. Amounts withheld or retained for the account of others .....	.....0	.....0	.....0	.....0
13. Remittances and items not allocated .....	.....0	.....0	.....0	.....0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....	.....0	.....0	.....0	.....0
15. Amounts due to parent, subsidiaries and affiliates .....	.....1,535,296	.....0	.....1,535,296	.....2,847,201
16. Derivatives.....	.....0	.....0	.....0	.....0
17. Payable for securities .....	.....0	.....0	.....0	.....0
18. Payable for securities lending .....	.....0	.....0	.....0	.....0
19. Funds held under reinsurance treaties (with \$ .....1,346,146 authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers).....	.....1,346,146	.....0	.....1,346,146	.....1,493,175
20. Reinsurance in unauthorized and certified (\$ .....) companies.....	.....0	.....0	.....0	.....0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....	.....0	.....0	.....0	.....0
22. Liability for amounts held under uninsured plans .....	.....0	.....0	.....0	.....0
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	.....338,848,703	.....0	.....338,848,703	.....20,059,789
24. Total liabilities (Lines 1 to 23).....	.....539,777,964	.....0	.....539,777,964	.....101,707,136
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	.....0	.....2,805,873
26. Common capital stock .....	XXX	XXX	.....2,500,000	.....2,500,000
27. Preferred capital stock .....	XXX	XXX	.....0	.....0
28. Gross paid in and contributed surplus .....	XXX	XXX	.....57,588,655	.....45,588,655
29. Surplus notes .....	XXX	XXX	.....0	.....0
30. Aggregate write-ins for other-than-special surplus funds .....	XXX	XXX	.....0	.....0
31. Unassigned funds (surplus) .....	XXX	XXX	.....(6,836,758)	.....(12,705,736)
32. Less treasury stock, at cost:				
32.1 .....shares common (value included in Line 26 \$ ..... ) .....	.....XXX	.....XXX	.....0	.....0
32.2 .....shares preferred (value included in Line 27 \$ ..... ) .....	.....XXX	.....XXX	.....0	.....0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	.....53,251,897	.....38,188,792
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	.....593,029,861	.....139,895,928
DETAILS OF WRITE-INS				
2301. ACA risk adjustment payable.....	.....278,331,464	.....0	.....278,331,464	.....11,702,152
2302. ACA cost sharing reduction payable.....	.....59,854,501	.....0	.....59,854,501	.....7,585,305
2303. Unclaimed property.....	.....512,132	.....0	.....512,132	.....283,386
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.....150,606	.....0	.....150,606	.....488,946
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	.....338,848,703	.....0	.....338,848,703	.....20,059,789
2501. Health insurer fee estimate.....	XXX	XXX	.....0	.....2,805,873
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	.....0	.....0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	.....0	.....2,805,873
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	.....0	.....0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	.....0	.....0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	3,315,392	617,892
2. Net premium income (including \$ .....0 non-health premium income).....	XXX	781,893,834	170,700,969
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	0	0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	0
5. Risk revenue .....	XXX	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	781,893,834	170,700,969
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		353,830,584	59,565,547
10. Other professional services .....		49,808,602	15,152,769
11. Outside referrals .....		0	0
12. Emergency room and out-of-area .....		78,482,760	19,990,096
13. Prescription drugs .....		143,934,749	37,979,575
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		1,439,572	159,616
16. Subtotal (Lines 9 to 15) .....	0	627,496,267	132,847,603
<b>Less:</b>			
17. Net reinsurance recoveries .....		25,137,233	12,150,520
18. Total hospital and medical (Lines 16 minus 17) .....	0	602,359,034	120,697,083
19. Non-health claims (net).....		0	0
20. Claims adjustment expenses, including \$ .....964,746 cost containment expenses.....		14,051,303	4,000,449
21. General administrative expenses.....		152,768,088	31,324,432
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		(120,853)	(69,161)
23. Total underwriting deductions (Lines 18 through 22) .....	0	769,057,572	155,952,803
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	12,836,262	14,748,166
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		2,474,118	1,115,980
26. Net realized capital gains (losses) less capital gains tax of \$ .....27,500 .....		51,071	10,393
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	2,525,189	1,126,373
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ .....5,525,501 )] .....		(5,525,501)	(280,944)
29. Aggregate write-ins for other income or expenses .....	0	857,906	975,909
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	10,693,856	16,569,504
31. Federal and foreign income taxes incurred .....	XXX	8,734,518	8,260,436
32. Net income (loss) (Lines 30 minus 31) .....	XXX	1,959,338	8,309,068
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	0	0
2901. Network rental.....		1,134,852	1,069,295
2902. Annuity income.....		(276,946)	(226,278)
2903. Interest maintenance reserve elimination.....		0	132,892
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	857,906	975,909

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year .....	38,188,792	29,360,659
34. Net income or (loss) from Line 32 .....	1,959,338	8,309,068
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....19,750 .....	12,517,389	1,324,777
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0
38. Change in net deferred income tax .....	11,880,449	3,603,422
39. Change in nonadmitted assets .....	(23,294,071)	(4,829,134)
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles .....	0	0
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend) .....	0	0
44.3 Transferred to surplus .....	0	0
45. Surplus adjustments:		
45.1 Paid in .....	12,000,000	0
45.2 Transferred to capital (Stock Dividend) .....	0	0
45.3 Transferred from capital .....	0	0
46. Dividends to stockholders .....	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	420,000
48. Net change in capital and surplus (Lines 34 to 47) .....	15,063,105	8,828,133
49. Capital and surplus end of reporting year (Line 33 plus 48)	53,251,897	38,188,792
DETAILS OF WRITE-INS		
4701. Change in asset valuation reserve.....	0	420,000
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	420,000

CASH FLOW

Cash from Operations		1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance .....	1,080,884,981	193,329,714	
2. Net investment income .....	2,414,047	1,404,398	
3. Miscellaneous income .....	1,132,930	1,058,289	
4. Total (Lines 1 through 3) .....	1,084,431,958	195,792,401	
5. Benefit and loss related payments .....	499,040,408	139,038,671	
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	
7. Commissions, expenses paid and aggregate write-ins for deductions .....	203,644,853	95,049,224	
8. Dividends paid to policyholders .....	0	0	
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	20,556,465	8,129,132	
10. Total (Lines 5 through 9) .....	723,241,726	242,217,027	
11. Net cash from operations (Line 4 minus Line 10) .....	361,190,232	(46,424,626)	
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	14,568,641	15,514,437	
12.2 Stocks .....	0	0	
12.3 Mortgage loans .....	0	0	
12.4 Real estate .....	0	0	
12.5 Other invested assets .....	179,725	0	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	3,000	37	
12.7 Miscellaneous proceeds .....	1	1	
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	14,751,367	15,514,475	
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	151,703,036	38,297,942	
13.2 Stocks .....	6,500,000	6,050,000	
13.3 Mortgage loans .....	0	0	
13.4 Real estate .....	0	0	
13.5 Other invested assets .....	60,000	247,500	
13.6 Miscellaneous applications .....	1	0	
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	158,263,037	44,595,442	
14. Net increase (decrease) in contract loans and premium notes .....	0	0	
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(143,511,670)	(29,080,967)	
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	
16.2 Capital and paid in surplus, less treasury stock .....	0	0	
16.3 Borrowed funds .....	0	0	
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	
16.5 Dividends to stockholders .....	0	0	
16.6 Other cash provided (applied) .....	(2,736,203)	15,367,416	
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(2,736,203)	15,367,416	
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	214,942,359	(60,138,177)	
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	24,795,578	84,933,755	
19.2 End of year (Line 18 plus Line 19.1) .....	239,737,937	24,795,578	

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	781,893,834	781,893,834	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit .....	0									
3. Fee-for-service (net of \$ ..... medical expenses) .....	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	781,893,834	781,893,834	0	0	0	0	0	0	0	0
8. Hospital/medical benefits .....	353,830,584	353,830,584								XXX
9. Other professional services .....	49,808,602	49,808,602								XXX
10. Outside referrals .....	0									XXX
11. Emergency room and out-of-area .....	78,482,760	78,482,760								XXX
12. Prescription drugs .....	143,934,749	143,934,749								XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	1,439,572	1,439,572								XXX
15. Subtotal (Lines 8 to 14) .....	627,496,267	627,496,267	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries .....	25,137,233	25,137,233								XXX
17. Total hospital and medical (Lines 15 minus 16) .....	602,359,034	602,359,034	0	0	0	0	0	0	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ ..... cost containment expenses.....	14,051,303	14,051,303								
20. General administrative expenses .....	152,768,088	152,994,169	(222,049)	(1,472)					(2,560)	
21. Increase in reserves for accident and health contracts .....	(120,853)	(120,853)								XXX
22. Increase in reserves for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22) .....	769,057,572	769,283,653	(222,049)	(1,472)	0	0	0	0	(2,560)	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	12,836,262	12,610,181	222,049	1,472	0	0	0	0	2,560	0
DETAILS OF WRITE-INS										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....	794,726,237		12,832,403	781,893,834
2. Medicare Supplement .....	8,760,778		8,760,778	.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8) .....	803,487,015	0	21,593,181	781,893,834
10. Life .....	75,463		75,463	.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	803,562,478	0	21,668,644	781,893,834



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct .....	563,973,266	563,973,266								
1.2 Reinsurance assumed .....	0	0								
1.3 Reinsurance ceded .....	11,553,620	11,553,620								
1.4 Net .....	552,419,646	552,419,646	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses .....	969,597	969,597								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	111,446,576	111,446,576	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	4,191,068	4,191,068	0	0	0	0	0	0	0	0
3.4 Net .....	107,255,508	107,255,508	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	0	0								
4.2 Reinsurance assumed .....	0	0								
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	
4.4 Net .....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	610,931	610,931								
6. Net healthcare receivables (a).....	12,969,426	12,969,426								
7. Amounts recoverable from reinsurers December 31, current year .....	19,892,987	19,892,987								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	36,393,721	36,393,721	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	2,051,622	2,051,622	0	0	0	0	0	0	0	0
8.4 Net .....	34,342,099	34,342,099	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
9.4 Net .....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	140,956	140,956	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year .....	8,448,820	8,448,820	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct .....	626,056,695	626,056,695	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	25,137,233	25,137,233	0	0	0	0	0	0	0	0
12.4 Net .....	600,919,462	600,919,462	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses .....	1,439,572	1,439,572	0	0	0	0	0	0	0	0

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct .....	28,782,447	28,782,447								
1.2. Reinsurance assumed .....	0	0								
1.3. Reinsurance ceded .....	0	0								
1.4. Net .....	28,782,447	28,782,447	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct .....	82,237,204	82,237,204								
2.2. Reinsurance assumed .....	0	0								
2.3. Reinsurance ceded .....	4,191,068	4,191,068								
2.4. Net .....	78,046,136	78,046,136	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct .....	426,925	426,925								
3.2. Reinsurance assumed .....	0	0								
3.3. Reinsurance ceded .....	0	0								
3.4. Net .....	426,925	426,925	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct .....	111,446,576	111,446,576	0	0	0	0	0	0	0	0
4.2. Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded .....	4,191,068	4,191,068	0	0	0	0	0	0	0	0
4.4. Net .....	107,255,508	107,255,508	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	30,255,562	510,719,917	343,381	106,912,127	30,598,943	34,342,184
2. Medicare Supplement .....					.0	.0
3. Dental Only.....					.0	.0
4. Vision Only.....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid.....					.0	.0
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	30,255,562	510,719,917	343,381	106,912,127	30,598,943	34,342,184
10. Healthcare receivables (a).....	.0	3,048,075	.0	9,921,266	.0	.0
11. Other non-health.....					.0	.0
12. Medical incentive pools and bonus amounts .....	74,642	894,955	66,314	544,617	140,956	140,956
13. Totals (Lines 9-10+11+12)	30,330,204	508,566,797	409,695	97,535,478	30,739,899	34,483,140

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	.0	.0	.0	.0	.0
2. 2012 .....	.0	.0	.0	.0	.0
3. 2013 .....	XXX	.0	.0	.0	.0
4. 2014 .....	XXX	XXX	.84,426	.95,690	.95,690
5. 2015 .....	XXX	XXX	XXX	.97,267	127,666
6. 2016 .....	XXX	XXX	XXX	XXX	508,567

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	.0	.0	.0	.0	.0
2. 2012 .....	.0	.0	.0	.0	.0
3. 2013 .....	XXX	.0	.0	.0	.0
4. 2014 .....	XXX	XXX	103,086	.95,690	.95,690
5. 2015 .....	XXX	XXX	XXX	131,819	128,076
6. 2016 .....	XXX	XXX	XXX	XXX	606,102

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2+3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2012.....	.0	.0		.0	.0	.0			.0	.0
2. 2013.....	.0	.0		.0	.0	.0			.0	.0
3. 2014.....	122,753	.95,690		.0	.95,690	.78			.95,690	.78
4. 2015.....	170,701	127,666	8,457	6.6	136,123	.79.7	.410	.6	136,539	.80
5. 2016 .....	781,894	508,567	9,644	1.9	518,211	66.3	107,457	1,659	627,327	80.2

Pt 2C - Sn A - Paid Claims - MS

NONE

Pt 2C - Sn A - Paid Claims - DO

NONE

Pt 2C - Sn A - Paid Claims - VO

NONE

Pt 2C - Sn A - Paid Claims - FE

NONE

Pt 2C - Sn A - Paid Claims - XV

NONE

Pt 2C - Sn A - Paid Claims - XI

NONE

Pt 2C - Sn A - Paid Claims - OT

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	.0	.0	.0	.0	.0
2. 2012 .....	.0	.0	.0	.0	.0
3. 2013 .....	XXX	.0	.0	.0	.0
4. 2014 .....	XXX	XXX	.84,426	.95,690	.95,690
5. 2015 .....	XXX	XXX	XXX	.97,267	127,666
6. 2016 .....	XXX	XXX	XXX	XXX	508,567

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior .....	.0	.0	.0	.0	.0
2. 2012 .....	.0	.0	.0	.0	.0
3. 2013 .....	XXX	.0	.0	.0	.0
4. 2014 .....	XXX	XXX	103,086	.95,690	.95,690
5. 2015 .....	XXX	XXX	XXX	131,819	128,076
6. 2016 .....	XXX	XXX	XXX	XXX	606,102

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2012.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2013.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2014.....	122,753	.95,690	.0	.0	.95,690	.78	.0	.0	.95,690	.78
4. 2015.....	170,701	127,666	.8,457	.6	136,123	.79	.410	.6	136,539	.80
5. 2016 .....	781,894	508,567	9,644	1.9	518,211	66.3	107,457	1,659	627,327	80.2

Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - DO

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Pt 2C - Sn B - Incurred Claims - FE

NONE

Pt 2C - Sn B - Incurred Claims - XV

NONE

Pt 2C - Sn B - Incurred Claims - XI

NONE

Pt 2C - Sn B - Incurred Claims - OT

NONE

Part 2C - Sn C - Claims Expense Ratio MS  
**NONE**

Part 2C - Sn C - Claims Expense Ratio DO  
**NONE**

Part 2C - Sn C - Claims Expense Ratio VO  
**NONE**

Part 2C - Sn C - Claims Expense Ratio FE  
**NONE**

Part 2C - Sn C - Claims Expense Ratio XV  
**NONE**

Part 2C - Sn C - Claims Expense Ratio XI  
**NONE**

Part 2C - Sn C - Claims Expense Ratio OT  
**NONE**



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0	.0	.0						
2. Additional policy reserves (a).....	.0	.0	.0						
3. Reserve for future contingent benefits.....	.0	.0	.0						
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income).....	19,136,131	19,136,131	.0						
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	19,136,131	19,136,131	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0	.0	.0						
8. Totals (Net) (Page 3, Line 4)	19,136,131	19,136,131	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....593,527 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ .....for occupancy of own building) .....			2,818,829		2,818,829
2. Salaries, wages and other benefits .....			50,118,700		50,118,700
3. Commissions (less \$ .....ceded plus \$ .....assumed) .....			0		0
4. Legal fees and expenses .....			1,247,570		1,247,570
5. Certifications and accreditation fees .....			109,022		109,022
6. Auditing, actuarial and other consulting services .....			16,000,641		16,000,641
7. Traveling expenses .....			1,797,376		1,797,376
8. Marketing and advertising .....			1,904,505		1,904,505
9. Postage, express and telephone .....			1,387,925		1,387,925
10. Printing and office supplies .....			676,239		676,239
11. Occupancy, depreciation and amortization .....			4,053,529		4,053,529
12. Equipment .....			321,932		321,932
13. Cost or depreciation of EDP equipment and software .....			7,410,484		7,410,484
14. Outsourced services including EDP, claims, and other services .....	964,746	13,086,557	39,885,498		53,936,801
15. Boards, bureaus and association fees .....			0		0
16. Insurance, except on real estate .....			1,839,796		1,839,796
17. Collection and bank service charges .....			397,359		397,359
18. Group service and administration fees .....			0		0
19. Reimbursements by uninsured plans .....			0		0
20. Reimbursements from fiscal intermediaries .....			0		0
21. Real estate expenses .....			333,534		333,534
22. Real estate taxes .....			176,647		176,647
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			635,615		635,615
23.2 State premium taxes .....			18,420,281		18,420,281
23.3 Regulatory authority licenses and fees .....			148,283		148,283
23.4 Payroll taxes .....			3,012,259		3,012,259
23.5 Other (excluding federal income and real estate taxes) .....			72,064		72,064
24. Investment expenses not included elsewhere .....			0	112,018	112,018
25. Aggregate write-ins for expenses .....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25) .....	964,746	13,086,557	152,768,088	112,018	(a) .....166,931,409
27. Less expenses unpaid December 31, current year .....	0	1,664,877	14,936,364	0	16,601,241
28. Add expenses unpaid December 31, prior year .....	0	433,287	3,517,431	0	3,950,718
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year .....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	964,746	11,854,967	141,349,155	112,018	154,280,886
DETAILS OF WRITE-INS					
2501. ....					
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$ .....110,383,358 to affiliates and \$ .....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a).....(7,102)	.....15,696
1.1	Bonds exempt from U.S. tax .....	(a).....	.....
1.2	Other bonds (unaffiliated) .....	(a).....1,189,055	.....2,028,245
1.3	Bonds of affiliates .....	(a).....0	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....0	.....
2.11	Preferred stocks of affiliates .....	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e).....320,450	.....334,736
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....	.....207,459
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	1,502,403	2,586,136
11.	Investment expenses .....		(g).....112,018
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g).....
13.	Interest expense .....		(h).....
14.	Depreciation on real estate and other invested assets .....		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....112,018
17.	Net investment income (Line 10 minus Line 16) .....		2,474,118
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	0	0
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) .....		0

(a) Includes \$ .....43,821 accrual of discount less \$ .....858,153 amortization of premium and less \$ .....473,619 paid for accrued interest on purchases.  
(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ .....0 paid for accrued dividends on purchases.  
(c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.  
(e) Includes \$ .....34 accrual of discount less \$ .....37,692 amortization of premium and less \$ ..... paid for accrued interest on purchases.  
(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  
(g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.  
(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....			.....0		
1.1	Bonds exempt from U.S. tax .....			.....0		
1.2	Other bonds (unaffiliated) .....	.....75,570		.....75,570	.....(4,607)	
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....12,485,319	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0		.....0
5.	Contract loans .....			.....0		
6.	Cash, cash equivalents and short-term investments .....	.....3,000		.....3,000	.....0	.....0
7.	Derivative instruments .....			.....0		
8.	Other invested assets .....	.....0	.....0	.....0	.....56,428	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses) .....	78,570	0	78,570	12,537,140	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	495,000	495,000
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	3,032,853	3,032,853
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	3,527,853	3,527,853
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	0	290,756	290,756
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets .....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	19,408,309	0	(19,408,309)
24. Health care and other amounts receivable.....	9,350,643	1,756,602	(7,594,041)
25. Aggregate write-ins for other-than-invested assets .....	267,994	157,664	(110,330)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	29,026,946	5,732,875	(23,294,071)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	29,026,946	5,732,875	(23,294,071)
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid expenses.....	267,994	157,664	(110,330)
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	267,994	157,664	(110,330)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	.0	36,027	31,932	29,714	26,378	361,838
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	55,140	277,005	252,703	242,019	224,559	2,953,554
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	55,140	313,032	284,635	271,733	250,937	3,315,392
DETAILS OF WRITE-INS						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

- A. The statutory consolidated financial statements of Celtic Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Illinois Department of Insurance.

The State of Illinois requires that insurance companies domiciled in the state of Illinois prepare their statutory-basis financial statements in accordance with the National Associate of Insurance Commissioners (NAIC) Accounting Practices and Procedures (AP&P) Manual subject to any deviations prescribed or permitted by the State of Illinois Insurance Commissioner. The Illinois Department of Insurance has adopted the NAIC AP&P manual with no significant prescribed differences affecting the Company.

<u>Net Income</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
(1) Celtic Insurance Company state basis (Page 4, Line 32, Columns 2 & 4)	N/A	N/A	N/A	\$ 1,959,338	\$ 8,309,068
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(3) State Permitted Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(4) NAIC SAP (1-2-3=4)	N/A	N/A	N/A	<u>\$ 1,959,338</u>	<u>\$ 8,309,068</u>
<u>Surplus</u>					
(5) Celtic Insurance Company state basis (Page 3, Line 33, Columns 3 & 4)	N/A	N/A	N/A	\$ 53,251,897	\$ 38,188,792
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(7) State Permitted Practices that increase/(decrease) NAIC SAP:	N/A	N/A	N/A		
(8) NAIC SAP (5-6-7=8)	N/A	N/A	N/A	<u>\$ 53,251,897</u>	<u>\$ 38,188,792</u>

- B. Use of Estimates in the Preparation of the Statutory Consolidated Financial Statements

The preparation of the statutory consolidated financial statements in conformity with accounting practices prescribed or permitted by the Illinois Department of Insurance requires management to make estimates and assumptions that affect the reported amounts of admitted assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the statutory consolidated financial statements and the reported amounts of revenue and expenses during the years then ended. Actual results could differ from those estimates.

- C. Significant Accounting Policies

1. Cash, Cash Equivalents, and Short-Term Investments

Cash, cash equivalents, and short-term investments are carried at cost, which approximates fair value. Short-term investments include securities purchased within twelve months or less of maturity date.

2. Bonds

Investment grade bonds (NAIC designations 1 or 2) not backed by other loans are valued at amortized cost using the scientific (constant yield) method. Bonds containing call provisions, except “make whole” call provisions, are amortized to the call or maturity value/date which produces the lowest asset value (yield to worst). Bonds which are below investment grade (NAIC designation 3 to 6) are carried at the lower of amortized cost or fair value.

3. Common Stock

The Company has minor interests in subsidiary insurance companies that do not exceed 10% of admitted assets. The Company carries these interests based on the underlying audited statutory capital and surplus of the investees.

4. Preferred Stock

The Company holds no preferred stocks.

5. Mortgage Loans

The Company holds no mortgage loans.

6. Loan-Backed Securities

Loan-backed securities are carried at amortized cost. Adjustments are applied prospectively.

7. Investments in Subsidiaries, Controlled and Affiliated Entities

The Company has no investments in non-insurance company subsidiaries, controlled and affiliated companies.

## NOTES TO FINANCIAL STATEMENTS

8. Investments in Joint Ventures, Partnerships, and Limited Liability Companies

The Company has a minor interest in a joint venture that does not exceed 10% of admitted assets. The Company carries this interests based on the underlying audited GAAP equity of the investee.

9. Derivatives

The Company holds no derivatives.

10. Premium Deficiency Reserve

The Company reviews expectations regarding the profitability of contracts in force to determine whether a premium deficiency reserve is required. The Company considers anticipated investment income when calculating its premium deficiency reserves.

The adequacy of reserve requirements is continually reviewed by management, with any reductions in the reserve being recorded as a beneficial effect in the statement of revenue and expenses.

11. Claims Unpaid & Unpaid Claims Adjustment Expenses

Claims unpaid and unpaid claims adjustment expenses include amounts determined from claims estimates, loss reports, and an amount, based on experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts to be adequate, the ultimate liabilities may be in excess of or less than the amounts reported. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

12. Changes to the Capitalization Policy

There have been no changes to the capitalization policy.

13. Pharmaceutical Rebates

Pharmaceutical rebates are based on actual pharmaceutical claims experience.

14. Premium Revenue

Premiums are generally received in the month for which coverage applies and income from such premiums is recorded as earned during the period in which the Company is obligated to provide services to members. Premiums collected in advance of the month for which coverage applies are deferred and recorded as unearned premium revenue.

15. Investment Income Due and Accrued

The Company recognizes investment income when earned. The Company records receivables for investment income earned as of the reporting date but not paid to the Company until subsequent to the reporting date. The Company performs an evaluation of the receivables to determine whether impairment exists.

16. Reclassifications

Certain reclassifications have been made to prior year amounts to conform to current year presentation.

17. Events Subsequent

The Company evaluated subsequent events through February 28, 2017, the date the statutory consolidated financial statements were available to be issued. Refer to Note 22 for further discussion of material events which occurred subsequent to the reporting date.

**D. Going Concern**

The Company's management has not identified any conditions or events that raise substantial doubt about its ability to continue as a going concern.

**2. Accounting Changes and Corrections of Errors**

The Company has no material changes in accounting principles or corrections of errors.

**3. Business Combinations and Goodwill**

A. Statutory Purchase Method – None

B. Statutory Merger – None

C. Assumption Reinsurance

NOTES TO FINANCIAL STATEMENTS

The Company had no goodwill associated with assumption reinsurance transactions.

D. Impairment Loss – None

4. Discontinued Operations – None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans – None

B. Debt Restructuring – None

C. Reverse Mortgages – None

D. Loan-Backed Securities

1. The source used to determine prepayment assumptions for all loan-backed securities for the Company was S&P Capital IQ.
2. There were no securities within the scope of this statement with a recognized other-than-temporary impairment.
3. Not applicable
4. All impaired securities (fair value is less than cost or amortized) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest impairment remains):

a. The aggregate amount of unrealized losses:

i. Less than 12 months (\$138,936)

ii. 12 months or longer (\$181)

b. The aggregate related fair value of securities with unrealized losses:

i. Less than 12 months \$9,608,458

ii. 12 months or longer \$107,055
5. For any security in an unrealized loss position, the Company assesses whether it intends to sell the security or if it is more likely than not that the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual, or regulatory purposes. If the security meets this criterion, the decline in fair value is other than temporary and is recorded in earnings.

For loan-backed securities in an unrealized loss position, management further evaluates whether the collection of all cash flows is probable. Management utilizes the prospective adjustment method to evaluate the present value of future cash flows. For those loan-back and structured securities (NAIC designated 1 or 2) where management has determined that collection of all contractual cash flows is not probable, the securities are considered other-than-temporarily impaired to the extent amortized cost is greater than the present value of future cash flows.

E. Repurchase Agreements and/or Securities Lending Transactions – None

F. Real Estate – None

G. Investments in Low-Income Housing Tax Credits (LIHTC) – None

H. Restricted Assets

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown							
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	\$ 2,478,301	\$ 2,479,132	\$ (831)	\$ -	\$ 2,478,301	0.4%	0.4%
k. On deposit with other regulatory bodies							
l. Pledged collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$ 2,478,301	\$ 2,479,132	\$ (831)	\$ -	\$ 2,478,301	0.4%	0.4%

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

I. Working Capital Finance Investments – None



NOTES TO FINANCIAL STATEMENTS

- J. Offsetting and Netting of Assets and Liabilities – None
- K. Structured Notes – None
- L. 5\* Securities – None

6. Joint Ventures, Partnerships, and Limited Liability Companies

- A. The Company has no investments in joint ventures, partnerships, and limited liability companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investment in joint ventures, partnerships, and limited liability companies during the reporting periods.

7. Investment Income

- A. Investment income due and accrued with amounts greater than 90 days past due are excluded from statutory surplus.
- B. No amounts were excluded.

8. Derivative Instruments – None

9. Income Taxes

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):  
The net deferred tax asset at December 31, 2016 and the change from the prior year are comprised of the following components:

(1) DTA/DTL Components

Description	Ordinary	2016 Capital	Total	Ordinary	2015 Capital	Total	Ordinary	Change Capital	Total
(a) Gross deferred tax assets	\$ 16,025,198	\$ 55,508	\$ 16,080,706	\$ 4,139,295	\$ 49,342	\$ 4,188,637	\$ 11,885,903	\$ 6,166	\$ 11,892,069
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets	16,025,198	55,508	16,080,706	4,139,295	49,342	4,188,637	11,885,903	6,166	11,892,069
(d) Deferred tax assets nonadmitted	-	-	-	(290,756)	-	(290,756)	290,756	-	290,756
(e) Net admitted deferred tax assets	16,025,198	55,508	16,080,706	3,848,539	49,342	3,897,881	12,176,659	6,166	12,182,825
(f) Deferred tax liabilities	(13,709)	(118,495)	(132,204)	(2,091)	(98,746)	(100,837)	(11,618)	(19,749)	(31,367)
(g) Net admitted deferred tax asset/(Net deferred tax liability)	\$ 16,011,489	\$ (62,987)	\$ 15,948,502	\$ 3,846,448	\$ (49,404)	\$ 3,797,044	\$ 12,165,041	\$ (13,583)	\$ 12,151,458

(2) Admission calculation components:  
The amounts of admitted adjusted gross deferred tax assets admitted under each component of SSAP No. 101 are as follows:

Description	Ordinary	2016 Capital	Total	Ordinary	2015 Capital	Total	Ordinary	Change Capital	Total
Admission calculation under ¶11.a.-¶11.c.									
(a) FIT recoverable by loss carryback [¶11.a.]	\$ 16,025,198	\$ -	\$ 16,025,198	\$ 3,797,045	\$ -	\$ 3,797,045	\$ 12,228,153	\$ -	\$ 12,228,153
(b) Expected to be realized [¶11.b.] (lesser of i. or ii.)	-	-	-	-	-	-	-	-	-
1. Expected to be realized [¶11.b.i.]	-	-	-	-	-	-	-	-	-
2. Surplus limitation [¶11.b.ii.]	-	-	-	5,088,319	-	5,088,319	-	-	-
(c) DTL offset [¶11.c.]	-	55,508	55,508	51,494	49,342	100,836	(51,494)	6,166	(45,328)
(d) Total admitted under ¶¶11.a.-11.c.	16,025,198	55,508	16,080,706	3,848,539	49,342	3,897,881	12,176,659	6,166	12,182,825
Deferred tax liabilities	(13,709)	(118,495)	(132,204)	(2,091)	(98,746)	(100,837)	(11,618)	(19,749)	(31,367)
Net admitted deferred tax asset/liability under ¶11.a.-¶11.c.	\$ 16,011,489	\$ (62,987)	\$ 15,948,502	\$ 3,846,448	\$ (49,404)	\$ 3,797,044	\$ 12,165,041	\$ (13,583)	\$ 12,151,458

(3) Information used in expected to be realized calculation [¶11.b.]  
The information used in the expected to be realized calculation consists of the following:

	2016	2015
(a) Authorized control level risk-based capital ratio without net deferred tax assets	141%	1069%
(b) Adjusted capital and surplus	\$ 37,327,752	\$ 33,921,866

(4) Impact of tax planning strategies:

Description	Ordinary	2016 Capital	Total	Ordinary	2015 Capital	Total	Ordinary	Change Capital	Total
Adjusted gross DTAs - Amount (Memo Entry)	\$ 2,150,243	\$ -	\$ 2,150,243	\$ -	\$ -	\$ -	\$ 2,150,243	\$ -	\$ 2,150,243
(a) Adjusted gross DTAs - Percentage	13.37%	0.00%	13.37%	0.00%	0.00%	0.00%	13.37%	0.00%	13.37%
Net admitted DTAs - Amount (Memo Entry)	\$ 2,150,243	\$ -	\$ 2,150,243	\$ -	\$ -	\$ -	\$ 2,150,243	\$ -	\$ 2,150,243

NOTES TO FINANCIAL STATEMENTS

(c) Did the company avail itself of a tax planning strategy involving reinsurance? [check box] Yes ☐ No ☒

B. Temporary differences for which DTLs have not been established:  
Not applicable

C. Current tax and change in deferred tax:  
(1) Current income taxes incurred consist of the following major components:

Description	2016	2015
(a) Current federal income tax expense	\$ 8,795,790	\$ 8,331,309
(b) Foreign Taxes		
(c) Subtotal	8,795,790	8,331,309
(d) Tax on capital gains/(losses)	-	-
(e) Utilization of capital loss carryforwards	-	-
(f) Other, including prior year underaccrual (overaccrual)	(33,774)	(65,275)
(g) Federal and foreign income taxes incurred	\$ 8,762,016	\$ 8,266,034

(2) Deferred income tax assets and liabilities consist of the following major components:

DTAs Resulting From Book/Tax Differences In	December 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Discounting of unpaid losses and LAE	\$ 310,819	\$ 123,658	\$ 187,161
(2) Unearned premiums	3,127,689	1,639,137	1,488,552
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrued	-	-	-
(7) Fixed assets	-	-	-
(8) Accrued expenditures	5,599	5,408	191
(9) Marketplace reinsurance fee	-	-	-
(10) Nonadmitted assets	10,159,431	1,904,741	8,254,690
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
Allowance for doubtful accounts	2,150,243	216,318	1,933,925
Contingent benefit reserve	-	-	-
Premium deficiency reserve	207,734	250,033	(42,299)
(13) Other (separately disclose items >5%)	63,683	-	63,683
(99) Gross ordinary DTAs	16,025,198	4,139,295	11,885,903
(b) Statutory valuation adjustment adjustment - ordinary	-	-	-
(c) Nonadmitted ordinary DTAs (-)	-	(290,756)	290,756
(d) Admitted ordinary DTAs	\$ 16,025,198	\$ 3,848,539	\$ 12,176,659
(e) Capital			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (separately disclose items >5%)	55,508	49,342	6,166
Unrealized capital losses	-	-	-
(99) Gross capital DTAs	55,508	49,342	6,166
(f) Statutory valuation adjustment adjustment - capital (-)	-	-	-
(g) Nonadmitted capital DTAs (-)	-	-	-
(b) Admitted capital DTAs	\$ 55,508	\$ 49,342	\$ 6,166
(i) Admitted DTAs	\$ 16,080,706	\$ 3,897,881	\$ 12,182,825
(3) DTAs Resulting From Book/Tax Differences In	December 31, 2016	December 31, 2015	Change
(a) Ordinary			
(1) Investments	\$ (2,091)	\$ (2,091)	\$ -
(2) Fixed assets	-	-	-
(3) Prepaid expenses	(11,618)	-	(11,618)
(4) Policyholder reserves/salvage and subrogation	-	-	-
(5) Other (separately disclose items >5%)	-	-	-
(99) Ordinary DTLs	\$ (13,709)	\$ (2,091)	\$ (11,618)
(b) Capital			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (separately disclose items >5%)	-	-	-
Unrealized capital gains	\$ (118,495)	\$ (98,746)	\$ (19,749)
(99) Capital DTLs	\$ (118,495)	\$ (98,746)	\$ (19,749)
(c) DTLs	\$ (132,204)	\$ (100,837)	\$ (31,367)
(4) Net deferred tax assets/liabilities	\$ 15,948,502	\$ 3,797,044	\$ 12,151,458

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets are comprised of the following components:

	December 31, 2016	December 31, 2015	Change
Total deferred tax assets	\$ 16,080,706	\$ 4,188,637	\$ 11,892,069
Total deferred tax liabilities	(132,204)	(100,837)	(31,367)
Net deferred tax assets/liabilities	15,948,502	4,087,800	11,860,702
Statutory valuation allowance adjustment (*see explanation below)	-	-	-
Net deferred tax assets/liabilities after SVA	15,948,502	4,087,800	11,860,702
Tax effect of unrealized gains/(losses)	118,496	98,747	19,749
Change in net deferred income tax [(charge)/benefit]	\$ 16,066,998	\$ 4,186,547	\$ 11,880,451

\*Statutory valuation allowance

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2016 and 2015 was \$0 and \$0, respectively. The net change in the total valuation allowance for the years ended December 31, 2016 was a decrease of (\$0).

D. Reconciliation of federal income tax rate to actual effective rate:

The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

Description	2016	Effective Tax Rate	2015	Effective Tax Rate
Income Before Taxes	\$ 10,721,345		\$ 16,575,101	
Statutory tax rate	35%		35%	
Expected income tax benefit at 35% statutory tax rate	3,752,471	35.00%	5,801,285	35.00%
Tax-Exempt Interest	(136,956)	-1.28%	(66,500)	-0.40%
Meals & Entertainment, Etc.	18,935	0.18%	217	0.00%
ACA fee	1,201,008	11.20%	895,283	5.40%
Stock compensation excess tax benefit	(57,020)	-0.53%	0	0.00%
Statutory Valuation Allowance Adjustment	0	0.00%	(341,970)	-2.06%
Interest maintenance reserve	0	0.00%	(46,512)	-0.28%
162(m)(6) limitation	365,890	3.41%	0	0.00%
Deferred Taxes on Nonadmitted Assets	(8,254,690)	-76.99%	(1,588,432)	-9.58%
Other, Including Prior Year True-Up	(8,072)	-0.08%	9,243	0.06%
Total	\$ (3,118,435)	-29.09%	\$ 4,662,614	28.13%
Federal income taxed incurred [expense/(benefit)]	\$ 8,762,016	81.72%	\$ 8,266,034	49.87%
Tax on capital gains/(losses)	0	0.00%	0	0.00%
Change in net deferred income tax [charge/(benefit)]	(11,880,451)	-110.81%	(3,603,420)	-21.74%
Total statutory income taxes	\$ (3,118,435)	-29.09%	\$ 4,662,614	28.13%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

As of December 31, 2016, the Company had no net operating loss or tax credit carryforwards available to tax purposes.

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

The following is income tax expense for 2015 and 2016 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2015	\$ 8,331,309	\$ -	\$ 8,331,309
2016	8,795,790	-	8,795,790
Total	\$ 17,127,099	\$ -	\$ 17,127,099

Deposits admitted under IRC § 6603  
None

F. The Company and Centene Corporation are members of an affiliated group that files a consolidated federal income tax return. Consolidated federal income tax liability is allocated among the members of the group under the provisions of a tax sharing agreement. The members of the tax sharing agreement group are:

Ambetter of Magnolia, Inc.  
Ambetter of Peach State, Inc.

The method of allocation among companies is subject to a written agreement whereby allocation is made primarily on a separate company basis using the percentage method pursuant to provisions of IRC Sections 1502 and 1552 and Treasury Regulations 1.1502 and 1.1552. This percentage method allocates a tax asset (i.e. intercompany receivable) for any benefit derived by the consolidated group for the member's losses or credits that offset consolidated taxable income. In accordance with the tax sharing agreement, each member shall pay to Parent or receive from the Parent the amount of tax liability or benefit reported on each member's proforma federal income tax return within 90 days of the date Parent files its consolidated federal income tax return.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

A, B, C, F, G. The Company is a wholly owned subsidiary of Celtic Group, Inc., which is a wholly owned subsidiary of Centene Corporation.

During 2016 and 2015, Centene Management Company, LLC, a wholly owned subsidiary of Centene Corporation, provided data, claims processing, case management, care coordination, and general management services to the Company. Medical and administrative expenses included \$115,805,562 and \$24,669,255 for such services during the years ended December 31, 2016 and 2015, respectively.

Envolve PeopleCare, Inc. (formerly known as Nurse Response), a wholly owned subsidiary of Envolve Holdings, Inc., which is a wholly owned subsidiary of Centene Corporation, provides nurse-line triage services to the Company. Medical expenses included \$690,781 and \$290,623 for such services for the years ended December 31, 2016 and 2015, respectively.

Envolve Pharmacy Solutions, Inc. (formerly known as US Script, Inc.), a wholly owned subsidiary of Envolve Holdings, Inc., which is a wholly owned subsidiary of Centene Corporation, provides pharmacy benefits management services to the Company. Medical and administrative expenses included \$145,395,096 and \$38,367,817 for such services for the years ended December 31, 2016 and 2015, respectively.

Envolve Vision, Inc. (formerly known as OptiCare Vision Company, Inc.) is an ultimately wholly owned subsidiary of Centene Corporation, provides managed vision services to the Company. Medical expenses included \$7,804,708 and \$2,092,863 for such services for the years ended December 31, 2016 and 2015, respectively.

Envolve PeopleCare, Inc. (formerly known as Nurtur Health, Inc.), a wholly owned subsidiary of Envolve Holdings, Inc., which is a wholly owned subsidiary of Centene Corporation, provides health management services to the Company. Medical expenses included \$4,927,558 and \$1,394,992 for such services for the years ended December 31, 2016 and 2015, respectively.

Cenpatico Behavioral Health, LLC, a wholly owned subsidiary of Envolve Holdings, Inc., which is a wholly owned subsidiary of Centene Corporation, provides managed behavioral health services to the Company. Medical expenses included \$26,878,157 and \$6,197,943 for such services for the years ended December 31, 2016 and 2015, respectively.

Novasys Health, Inc., a wholly owned subsidiary of Celtic Group, Inc., which is a wholly owned subsidiary of Centene Corporation, provides third party administrative services and network access to the Company. Administrative expenses included \$709,769 and \$565,866 for such services for the years ended December 31, 2016 and 2015, respectively.

California Health and Wellness Plan, a wholly owned subsidiary of Centene Corporation, obtains network access services from the Company. Revenues included \$1,134,852 and \$1,069,295 for such services for the years ended December 31, 2016 and 2015, respectively.

D. Included in the Company’s balance sheet at December 31, 2016 were receivables and/or payables due from/due to parent, subsidiaries and affiliates of:

Affiliated Entity	12/31/2016 Receivable	12/31/2016 (Payable)
Ambetter of Magnolia, Inc.	\$ -	\$ (256,556)
Ambetter of Peach State, Inc.	6,664,276	-
California Health and Wellness Plan	94,877	-
Celtic Group, Inc.	12,409,506	-
Cenpatico Behavioral Health, LLC	2,470,750	-
Centene Corporation	-	(570,908)
Centene Management Company, LLC	40,893,843	-
Coordinated Care Corporation d/b/a Managed Health Services	-	(61,037)
Envolve Dental, Inc.	1,155,917	-
Envolve Vision, Inc.	1,121,206	-
Novasys Health, Inc.	-	(207,640)
Sunshine State Health Plan, Inc.	-	(415,709)
Superior HealthPlan, Inc.	-	(23,446)

All balances are settled subsequent to the reporting date per the terms of the related contracts.

E. None

H. None

I. The Company owns a 100% interest in Ambetter of Magnolia Inc. and Ambetter of Peach State Inc. which are both insurance subsidiaries valued at audited statutory capital and surplus, neither of which exceed 10% of the admitted assets of the Company.

J. None

K. None

## NOTES TO FINANCIAL STATEMENTS

L. None

M. The Company only holds 8bi SCA investments; as such, not applicable.

N. The audited statutory capital and surplus of the Company's insurance subsidiaries do not reflect a departure from the NAIC AP&P.

### 11. Debt – None

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences, and Other Postretirement Benefit Plans – None

### 13. Capital and Surplus, Shareholder's Dividend Restrictions, and Quasi-Reorganizations

A. The Company had 250,000 \$10 par value common shares authorized, issued and outstanding at December 31, 2016.

B. The Company had no preferred stock outstanding.

C. Dividends are paid as determined by the Board of Directors with the approval of the Illinois Department of Insurance, so long as the Company meets or exceeds minimum surplus requirements.

D. None

E. Within the limitations of Note C above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

F. There were no restrictions placed on the Company's statutory surplus.

G. Not applicable

H. None

I. The decrease in the special surplus fund from the prior year is due to health insurance issuers not being required to pay the fees under section 9010 of the Affordable Care Act based on business written in 2016.

J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was \$13,866,523.

K. The Company did not issue any surplus debentures or similar obligations.

L. There have been no quasi-reorganizations.

M. There have been no quasi-reorganizations.

### 14. Liabilities, Contingencies, and Assessments

A. Contingent Commitments – None

B. Assessments – None

C. Gain Contingencies – None

D. Claims Related to Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – None

E. Joint and Several Liabilities – None

F. All Other Contingencies

Various lawsuits against the Company have arisen in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the statutory consolidated financial position of the Company.

The Company recognized impairment charges of \$5,525,501 and \$280,944 related to member premium receivables outstanding at December 31, 2016 and 2015, respectively. The \$944,256 and \$74,534 of member premium receivables recognized at December 31, 2016 and 2015, respectively, have a reasonable possibility that they will be deemed uncollectible.

### 15. Leases – None

### 16. Information About Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk – None

### 17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities – None

NOTES TO FINANCIAL STATEMENTS

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – None

20. Fair Value Measurements

A. Assets Measured at Fair Value on a Recurring Basis

Assets and liabilities recorded at fair value in the statutory statement of admitted assets, liabilities and capital and surplus are categorized based upon the extent to which the fair value estimates are based upon observable or unobservable inputs.  
Level inputs are as follows:

Level input	Input definition
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2016 for admitted assets and liabilities measured at fair value on a recurring basis:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Cash, Cash Equivalents, and Short-Term Investments	\$ 236,886,199	\$ -	\$ -	\$ 236,886,199
Perpetual Preferred stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -
Bonds				
U.S. Governments	\$ -	\$ 2,636,254	\$ -	\$ 2,636,254
Industrial and Misc	-	215,484	-	215,484
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ 2,851,738	\$ -	\$ 2,851,738
Common Stocks				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Derivative assets				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ 236,886,199	\$ 2,851,738	\$ -	\$ 239,737,937
b. Liabilities at fair value				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

The following table summarizes fair value measurements by level at December 31, 2015 for admitted assets and liabilities measured at fair value on a recurring basis:

NOTES TO FINANCIAL STATEMENTS

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Cash, Cash Equivalents, and Short-Term Investments	\$ 24,795,578	\$ -	\$ -	\$ 24,795,578
Perpetual Preferred stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -
Bonds				
U.S. Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ -	\$ -	-	-
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ -	\$ -	\$ -
Common Stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Derivative assets				
Interest rate contracts	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ 24,795,578	\$ -	\$ -	\$ 24,795,578
b. Liabilities at fair value				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

B. Fair Value Disclosures Under Other Pronouncements – None

C. Aggregate Fair Value for All Financial Instruments

The following table summarizes fair value measurements by level at December 31, 2016 for all financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash, cash equivalents and short-term investments	\$ 236,886,199	\$ 236,886,199	\$ 236,886,199	\$ -	\$ -	\$ -
Bonds	199,921,406	202,638,362	12,418,451	187,502,955	-	-

The following table summarizes fair value measurements by level at December 31, 2015 for all financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash, cash equivalents and short-term investments	\$ 24,795,578	\$ 24,795,578	\$ 24,795,578	\$ -	\$ -	\$ -
Bonds	63,523,410	62,900,384	12,249,524	50,228,886	1,045,000	-

21. Other Items

A. Unusual or Infrequent Items

On July 1, 2015, the Company completed an assumption reinsurance agreement with Coordinated Care Corporation, Inc. The Company assumed the in-force insurance contracts issued to individuals through the Indiana Health Insurance Marketplace during the 2015 calendar year through June 30, 2015. The Company received \$15.4 million in cash and cash equivalents and \$1.7 million of other assets with an aggregate value equal to the sum of 100% of the estimated assumed policy liabilities, including, but not limited to, liabilities for benefits, surrenders, returns, and premium refunds.

An initial payment in the amount of \$12,978,812, which amount was calculated based on the financial statements as of May 31, 2015, was paid Coordinated Care Corporation to the Company on July 1, 2015; a subsequent payment in the amount of \$2,388,604, which amount was calculated based on the financial statements as of June 30, 2015, was paid by Coordinated Care Corporation to the Company on July 16, 2015.

Pursuant to the settlement provision within the assumption reinsurance agreement entered into by Coordinated Care Corporation and the Company, a final settlement payment was to occur on or before January 31, 2017. The final settlement calculation occurred as of November 30, 2016 and resulted in \$2,736,203 being owed to Coordinated Care Corporation by the Company. The final settlement was calculated based upon the value of the assumed policy liabilities as of that date. On December 21, 2016, the final settlement of \$2,736,203 was paid by the Company to Coordinated Care Corporation. The Company offset the established affiliate payable and at December 31, 2016 no longer had any balances outstanding related to the transaction.

B. Troubled Debt Restructuring: Debtors – None

C. Other Disclosures – None

D. Business Interruption Insurance Recoveries – None

E. State Transferable and Non-Transferable Tax Credits – None

F. Subprime-Mortgage-Related Risk Exposure – None

NOTES TO FINANCIAL STATEMENTS

- G. Retained Assets – None
- H. Insurance-Linked Securities (ILS) Contracts – None

22. Events Subsequent

Type I – Recognized Subsequent Events

The capital contribution receivable of \$12,000,000 was collected in full from Celtic Group, Inc. on February 28, 2017.

Type II – Nonrecognized Subsequent Events

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	Yes	
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 2,805,873
C. ACA fee assessment paid	3,431,450	2,557,952
D. Premium written subject to ACA 9010 assessment	781,893,834	160,022,725
E. Total Adjusted Capital before surplus adjustment	53,251,897	
F. Total Adjusted Capital after surplus adjustment	53,251,897	
G. Authorized Control Level	26,432,039	
H. Would reporting the ACA assessment as of Dec. 31, 2016 have triggered an RBC action level (YES/NO)?	No	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- 1. No
- 2. No

Section 2 – Ceded Reinsurance Report – Part A

- 1. No
- 2. No

Section 3 – Ceded Reinsurance Report – Part B

- 1. \$0
- 2. No

- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance – None
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premiums for its comprehensive individual health insurance business in accordance with the regulations put forth in Title 45 of the Code of Federal Regulations Part 153, Subpart F for the ACA Risk Corridors program and Title 45 of the Code of Federal Regulations Part 158 for the ACA MLR Rebate Program.
- B. The Company records accrued retrospective premiums through written premium.
- C. The amount of net premiums written by the Company for the years ended December 31, 2016 and 2015 which were subject to retrospective rating features was \$781,893,834 and \$170,700,969, respectively, which represented 100% of the total net premiums written.
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

NOTES TO FINANCIAL STATEMENTS

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ 13,512,114	\$ -	\$ -	\$ -	\$ 13,512,114
(2) Medical loss ratio rebates paid	6,793,438	-	-	-	6,793,438
(3) Medical loss ratio rebates unpaid	7,020,676	-	-	-	7,020,676
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	93,746
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 7,114,422
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ 3,112,246	\$ -	\$ -	\$ -	\$ 3,112,246
(8) Medical loss ratio rebates paid	784,875	-	-	-	784,875
(9) Medical loss ratio rebates unpaid	9,348,047	-	-	-	9,348,047
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 9,348,047

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

1.	Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?	Yes
2.	Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year	
	a) Permanent ACA Risk Adjustment Program	
	Assets	
	1) Premium adjustments receivable due to ACA Risk Adjustment	\$ -
	Liabilities	
	2) Risk adjustment user fees payable for ACA Risk Adjustment	-
	3) Premium adjustments payable due to ACA Risk Adjustment	-
	Operations (Revenue & Expense)	
	4) Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk adjustment	-
	5) Reported in expenses as ACA risk adjustment user fees (incurred/paid)	-
	b) Transitional ACA Reinsurance Program	
	Assets	
	1) Amounts recoverable for claims paid due to ACA Reinsurance	-
	2) Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	492,327
	3) Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	278,331,464
	Liabilities	
	4) Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums	284,887,130
	5) Ceded reinsurance premiums payable due to ACA Reinsurance	493,126
	6) Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	-
	Operations (Revenue & Expense)	
	7) Ceded reinsurance premiums due to ACA Reinsurance	-
	8) Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	16,314,715
	9) ACA Reinsurance contributions - not reported as ceded premium	2,093,126
	c) Temporary ACA Risk Corridors Program	
	Assets	
	1) Accrued retrospective premium due to ACA Risk Corridors	5,750,496
	Liabilities	
	2) Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
	Operations (Revenue & Expense)	
	3) Effect of ACA Risk Corridors on net premium income	14,270,029
	4) Effect of ACA Risk Corridors on change in reserves for rate credits	1,437,624

3. Roll-Forward of Prior year ACA Risk-Sharing Provisions

	Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)	
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	-	-	-	-	-	-	-	-	A	-	-
2. Premium adjustments (payable)	-	(11,702,151)	-	(13,014,189)	-	1,312,038	-	(1,312,038)	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	(11,702,151)	-	(13,014,189)	-	1,312,038	-	(1,312,038)		-	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	8,423,756	-	9,958,409	-	(1,534,653)	-	315,091	-	C	(1,219,562)	-
2. Amounts recoverable for claims unpaid (contra liability)	-	1,870,087	-	-	-	1,870,087	-	(1,870,087)	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	-	(608,632)	-	(608,632)	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	(1,825,898)	-	(1,825,898)	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	8,423,756	(564,443)	9,958,409	(2,434,530)	(1,534,653)	1,870,087	315,091	(1,870,087)		(1,219,562)	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	(1,799,094)	-	(1,272,561)	-	(526,533)	-	526,533	J	-	-
3. Subtotal ACA Risk Corridors Program	-	(1,799,094)	-	(1,272,561)	-	(526,533)	-	526,533		-	-
d. Total for ACA Risk Sharing Provisions	8,423,756	(14,065,688)	9,958,409	(16,721,280)	(1,534,653)	2,655,592	315,091	(2,655,592)		(1,219,562)	-

4. Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year



NOTES TO FINANCIAL STATEMENTS

	Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable (Payable)
a. 2014										
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	A	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	B	-
b. 2015										
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	C	-
2. Reserve for rate credits or policy experience rating refunds	-	\$ (1,799,094)	-	\$ (1,272,561)	-	\$ (526,533)	-	\$ 526,533	D	-
c. 2016										
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	E	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	F	-
d. Total for Risk Corridors	-	\$ (1,799,094)	-	\$ (1,272,561)	-	\$ (526,533)	-	\$ 526,533		-

5. ACA Risk Corridors Receivable as of Reporting Date – None

25. Change in Incurred Claims and Claims Adjustment Expenses

Claims unpaid at December 31, 2015 was approximately \$34.5 million. As of December 31, 2016, approximately \$30.3 million had been paid for claims incurred attributable to insured events of prior years. Claims unpaid remaining for prior years was approximately \$0.4 million as a result of re-estimation of unpaid claims on the Company’s accident and health line of insurance resulting in approximately \$3.8 million favorable prior year development during the year ended December 31, 2016. This change is generally the result of ongoing analysis of recent loss development trends. Original estimates are adjusted as additional information becomes known.

26. Intercompany Pooling Arrangements – None

27. Structured Settlements – Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Statutory Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2016	\$ 4,269,854	\$ 4,269,854	\$ -	\$ -	\$ -
9/30/2016	3,150,981	3,150,981	-	-	-
6/30/2016	2,130,328	2,130,328	-	-	150,226
3/31/2016	1,942,131	1,942,131	-	-	1,169,238
12/31/2015	701,430	701,430	-	-	566,268
9/30/2015	653,232	653,232	-	-	607,340
6/30/2015	557,569	557,569	-	-	404,634
3/31/2015	513,371	513,371	-	-	448,769
12/31/2014	168,740	168,740	-	-	168,740
9/30/2014	125,117	125,117	-	-	125,117
6/30/2014	84,830	84,830	-	-	84,830
3/31/2014	37,097	37,097	-	-	37,097

B. Risk-Sharing Receivables – None

29. Participating Policies – None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves

2. Date of the most recent evaluation of this liability

3. Was anticipated investment income utilized in the calculation?
- \$593,527

December 31, 2016

Yes [X] No [ ]

31. Anticipated Salvage and Subrogation – None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐
- 1.3

State Regulating?

Illinois.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2014
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2009
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....06/22/2011
- 3.4

By what department or departments? Illinois Department of Insurance.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☒ No ☐ N/A ☐
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ☐ No ☒

4.12 renewals? Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ☐ No ☒

4.22 renewals? Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 6.2

If yes, give full information .....
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

- 7.21

State the percentage of foreign control

.....
- 7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG, 10 South Broadway, St. Louis, MO 63102.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [ X ]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [ X ]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ X ] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Jim O'Connor, F.S.A, M.A.A.A, Consulting Actuary, Milliman, 71 South Wacker Drive, 31st Floor, Chicago, IL 60606.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$.....

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
c. Compliance with applicable governmental laws, rules and regulations;  
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
- Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [ X ] No [ ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....13,056,026
- 22.22 Amount paid as expenses \$.....470,305
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....12,409,506

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [ X ] No [ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [ ] No [ ] NA [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [ ] No [ ] NA [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [ ] No [ ] NA [ X ]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [ ] No [ ] NA [ X ]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
- 24.103 Total payable for securities lending reported on the liability page \$.....

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [ X ] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

25.22 Subject to reverse repurchase agreements

25.23 Subject to dollar repurchase agreements

25.24 Subject to reverse dollar repurchase agreements

25.25 Placed under option agreements

25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock

25.27 FHLB Capital Stock

25.28 On deposit with states

25.29 On deposit with other regulatory bodies

25.30 Pledged as collateral – excluding collateral pledged to an FHLB

25.31 Pledged as collateral to FHLB – including assets backing funding agreements

25.32 Other

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

2,478,301

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [ X ] No [ ]

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Brown Brothers Harriman Trust Company.....	140 Broadway, New York, NY 10005.....
Wells Fargo Clearing Services, LLC.....	One North Jefferson Ave, St. Louis, MO 63103.....

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ X ]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Brown Brothers Harriman.....	U.....
Wells Capital Management.....	U.....
Wells Fargo Securities.....	U.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104487.....	Brown Brothers Harriman.....		FINRA.....	NO.....
104973.....	Wells Capital Management.....	549300B3H21002L85190.....	SEC.....	NO.....
126292.....	Wells Fargo Securities.....	VYVVKR63DVZZN70PB21.....	SEC.....	NO.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
.....	.....	.....
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	202,638,362.....	199,921,406.....	(2,716,956).....
30.2 Preferred Stocks.....	0.....	0.....	0.....
30.3 Totals	202,638,362	199,921,406	(2,716,956)

30.4 Describe the sources or methods utilized in determining the fair values:

Received from Clearwater from S&P.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [ X ] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ .....
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 34.1 Amount of payments for legal expenses, if any? \$ .....118,046
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Lewis Rice, LLC.....	\$.....117,060

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES  
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ X ] No [ ]

1.2 If yes, indicate premium earned on U.S. business only.

\$ .....8,917,021

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ .....0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ .....0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ .....6,358,350

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

\$ .....5,104

1.62 Total incurred claims

\$ .....3,334

1.63 Number of covered lives

.....1

All years prior to most current three years:

1.64 Total premium earned

\$ .....8,911,917

1.65 Total incurred claims

\$ .....6,355,016

1.66 Number of covered lives

.....2,214

1.7 Group policies:

Most current three years:

1.71 Total premium earned

\$ .....0

1.72 Total incurred claims

\$ .....0

1.73 Number of covered lives

.....0

All years prior to most current three years:

1.74 Total premium earned

\$ .....0

1.75 Total incurred claims

\$ .....0

1.76 Number of covered lives

.....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....781,893,834	\$	.....170,700,969
2.2	Premium Denominator	\$ .....781,893,834	\$	.....170,700,969
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$ .....88,023,907	\$	.....29,686,302
2.5	Reserve Denominator	\$ .....127,002,570	\$	.....44,017,289
2.6	Reserve Ratio (2.4/2.5)	.....0.693		.....0.674

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ] No [ X ]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [ X ] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ] No [ X ]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [ X ] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical

\$ .....220,000

5.32 Medical Only

\$ .....

5.33 Medicare Supplement

\$ .....

5.34 Dental and Vision

\$ .....

5.35 Other Limited Benefit Plan

\$ .....

5.36 Other

\$ .....

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Agreements in provider contracts include hold harmless provisions

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [ X ] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

.....840

8.2 Number of providers at end of reporting year

.....11,056

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [ X ]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

.....

9.22 Business with rate guarantees over 36 months

.....



GENERAL INTERROGATORIES  
PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [ X ] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....

10.22 Amount actually paid for year bonuses

\$.....969,597

10.23 Maximum amount payable withholds

\$.....

10.24 Amount actually paid for year withholds

\$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or,

Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above) ?

Yes [ X ] No [ ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

Illinois.....

11.4 If yes, show the amount required.

\$.....52,864,078

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation

200% of authorized control level

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Alabama.....
Alaska.....
Arizona.....
Arkansas.....
California.....
Colorado.....
Connecticut.....
Delaware.....
District of Columbia.....
Florida.....
Georgia.....
Hawaii.....
Idaho.....
Illinois.....
Indiana.....
Iowa.....
Kansas.....
Kentucky.....
Louisiana.....
Maine.....
Maryland.....
Massachusetts.....
Michigan.....
Minnesota.....
Mississippi.....
Missouri.....
Montana.....
Nebraska.....
Nevada.....
New Hampshire.....
New Jersey.....
New Mexico.....
North Carolina.....
North Dakota.....
Ohio.....
Oklahoma.....
Oregon.....
Pennsylvania.....
Rhode Island.....
South Carolina.....
South Dakota.....
Tennessee.....
Texas.....
Utah.....
Vermont.....
Virginia.....
Washington.....
West Virginia.....
Wisconsin.....
Wyoming.....

13.1 Do you act as a custodian for health savings accounts?

Yes [ ] No [ X ]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$.....

13.3 Do you act as an administrator for health savings accounts?

Yes [ ] No [ X ]

13.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$.....

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?

Yes [ ] No [ ] N/A [ X ]

14.2 If the answer to 14.1 is yes, please provide the following:

GENERAL INTERROGATORIES  
PART 2 - HEALTH INTERROGATORIES

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for Individual ordinary life insurance\* policies (U.S. business Only) for the current year:
- 15.1 Direct Premium Written (prior to reinsurance ceded)

\$ .....75,463
- 15.2 Total incurred claims

\$ .....294,948
- 15.3 Number of covered lives

.....171

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE - YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	593,029,861	139,895,927	136,599,483	83,524,715	99,966,561
2. Total liabilities (Page 3, Line 24) .....	539,777,964	101,707,136	107,238,823	39,703,044	56,218,054
3. Statutory minimum capital and surplus requirement .....	52,864,078	13,081,486	0	0	0
4. Total capital and surplus (Page 3, Line 33) .....	53,251,897	38,188,792	29,360,659	43,821,671	43,748,507
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	781,893,834	170,700,969	129,792,518	125,088,430	154,684,885
6. Total medical and hospital expenses (Line 18) .....	602,359,034	120,697,083	96,883,123	106,572,606	152,145,138
7. Claims adjustment expenses (Line 20) .....	14,051,303	4,000,449	4,527,643	0	0
8. Total administrative expenses (Line 21) .....	152,768,088	31,324,432	23,854,908	0	0
9. Net underwriting gain (loss) (Line 24) .....	12,836,262	14,748,166	4,526,844	0	0
10. Net investment gain (loss) (Line 27) .....	2,525,189	1,126,373	1,014,703	1,371,906	1,427,052
11. Total other income (Lines 28 plus 29) .....	(4,667,595)	694,965	543,299	0	0
12. Net income or (loss) (Line 32) .....	1,959,338	8,309,068	4,309,808	0	0
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11).....	361,190,232	(46,424,626)	73,452,178	(7,872,936)	(14,479,382)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	53,251,897	38,188,792	29,360,659	44,172,728	44,069,376
15. Authorized control level risk-based capital .....	26,432,039	3,173,231	329,975	5,445,377	7,914,695
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	250,937	55,169	0	0	0
17. Total members months (Column 6, Line 7) .....	3,315,392	617,892	0	0	0
<b>Operating Percentage</b> (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	77.0	70.7	74.6	0.0	0.0
20. Cost containment expenses .....	0.1	0.4	0.0	0.0	0.0
21. Other claims adjustment expenses .....	1.7	3.5	0.0	0.0	0.0
22. Total underwriting deductions (Line 23) .....	98.4	91.4	96.5	0.0	0.0
23. Total underwriting gain (loss) (Line 24) .....	1.6	8.6	3.5	0.0	0.0
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	30,739,899	11,459,888	0	0	0
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)] .....	34,483,140	19,987,569	0	0	0
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	26,338,338	7,353,019	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31.....	26,338,338	7,353,019	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - *Accounting Changes and Correction of Errors*?.....Yes [    ] No [    ]

If no, please explain

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	Direct Business Only							
				2	3	4	5	6	7	8	9
State, Etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Consideration s	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama .....	AL	L	160,141				2,573		162,714	0
2.	Alaska .....	AK	L	3,898				0		3,898	0
3.	Arizona .....	AZ	L	16,969				740		17,709	0
4.	Arkansas .....	AR	L	201,518,745				3,872		201,522,617	0
5.	California .....	CA	L	13,916				0		13,916	0
6.	Colorado .....	CO	L	8,252				87		8,339	0
7.	Connecticut .....	CT	L	194,972				837		195,809	0
8.	Delaware .....	DE	L	20,436				282		20,718	0
9.	District of Columbia .....	DC	L	0				0		0	0
10.	Florida .....	FL	L	264,551,891				1,951		264,553,842	0
11.	Georgia .....	GA	L	374,425				636		375,061	0
12.	Hawaii .....	HI	L	0				0		0	0
13.	Idaho .....	ID	L	0				0		0	0
14.	Illinois .....	IL	L	29,681,036				5,292		29,686,328	0
15.	Indiana .....	IN	L	65,463,860				4,913		65,468,773	0
16.	Iowa .....	IA	L	102,458				435		102,893	0
17.	Kansas .....	KS	L	43,630				0		43,630	0
18.	Kentucky .....	KY	L	0				31		31	0
19.	Louisiana .....	LA	L	25,526				0		25,526	0
20.	Maine .....	ME	L	0				753		753	0
21.	Maryland .....	MD	L	27,802				0		27,802	0
22.	Massachusetts .....	MA	L	0				6,117		6,117	0
23.	Michigan .....	MI	L	10,463				461		10,924	0
24.	Minnesota .....	MN	L	10,562				0		10,562	0
25.	Mississippi .....	MS	L	89,845				686		90,531	0
26.	Missouri .....	MO	L	131,752				0		131,752	0
27.	Montana .....	MT	L	3,893				0		3,893	0
28.	Nebraska .....	NE	L	160,938				276		161,214	0
29.	Nevada .....	NV	L	43,616				0		43,616	0
30.	New Hampshire .....	NH	L	102,089,176				0		102,089,176	0
31.	New Jersey .....	NJ	L	1,096,604				0		1,096,604	0
32.	New Mexico .....	NM	L	86,358				5,485		91,843	0
33.	New York .....	NY	N	0				0		0	0
34.	North Carolina .....	NC	L	58,897				3,518		62,415	0
35.	North Dakota .....	ND	L	10,409				0		10,409	0
36.	Ohio .....	OH	L	104,969				5,876		110,845	0
37.	Oklahoma .....	OK	L	21,870				144		22,014	0
38.	Oregon .....	OR	L	215				0		215	215
39.	Pennsylvania .....	PA	L	93,901				0		93,901	0
40.	Rhode Island .....	RI	L	4,259				0		4,259	0
41.	South Carolina .....	SC	L	132,934				6,081		139,015	0
42.	South Dakota .....	SD	L	60,774				308		61,082	0
43.	Tennessee .....	TN	L	14,725				5,848		20,573	0
44.	Texas .....	TX	L	136,895,307				8,196		136,903,503	0
45.	Utah .....	UT	L	9,460				0		9,460	0
46.	Vermont .....	VT	L	19,891				0		19,891	0
47.	Virginia .....	VA	L	88,246				7,187		95,433	0
48.	Washington .....	WA	L	0				0		0	0
49.	West Virginia .....	WV	L	21,466				0		21,466	0
50.	Wisconsin .....	WI	L	0				1,541		1,541	0
51.	Wyoming .....	WY	L	18,528				1,337		19,865	0
52.	American Samoa .....	AS	N							0	0
53.	Guam .....	GU	N							0	0
54.	Puerto Rico .....	PR	N							0	0
55.	U.S. Virgin Islands .....	VI	N							0	0
56.	Northern Mariana Islands .....	MP	N							0	0
57.	Canada .....	CAN	N							0	0
58.	Aggregate other alien .....	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal.....		XXX	803,487,015	0	0	0	75,463	0	803,562,478	215
60.	Reporting entity contributions for Employee Benefit Plans.....		XXX							0	
61.	Total (Direct Business)	(a)	50	803,487,015	0	0	0	75,463	0	803,562,478	215
DETAILS OF WRITE-INS											
58001.			XXX								
58002.			XXX								
58003.			XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page.....		XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0	

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.  
Explanation of basis of allocation by states, premiums by state, etc. All premiums are allocated to the state in which premiums are written.  
(a) Insert the number of L responses except for Canada and other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP****PART 1 - ORGANIZATIONAL CHART**

Centene Corporation	42-1406317	DE	
Bankers Reserve Life Insurance Company of Wisconsin	39-0993433	WI	71013
Health Plan Real Estate Holding, Inc (17%)	46-2860967	MO	
Peach State Health Plan, Inc	20-3174593	GA	12315
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
Iowa Total Care, Inc	46-4829006	IA	15713
Buckeye Community Health Plan, Inc	32-0045282	OH	11834
Health Plan Real Estate Holding, Inc (13%)	46-2860967	MO	
Absolute Total Care, Inc	20-5693998	SC	12959
Health Plan Real Estate Holding, Inc (1%)	46-2860967	MO	
Physicians Choice, LLC	59-3807546	SC	
PhyTrust of South Carolina LLC	65-1206841	FL	
Coordinated Care Corporation d/b/a Managed Health Services	39-1821211	IN	95831
Health Plan Real Estate Holding, Inc (15%)	46-2860967	MO	
Healthy Washington Holdings, Inc	46-5523218	DE	
Coordinated Care of Washington, Inc	46-2578279	WA	15352
Managed Health Services Insurance Corp	39-1678579	WI	96822
Health Plan Real Estate Holding, Inc (2%)	46-2860967	MO	
Hallmark Life Insurance Co	86-0819817	AZ	60078
Superior HealthPlan, Inc	74-2770542	TX	95647
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
Healthy Louisiana Holdings LLC	27-0916294	DE	
Louisiana Healthcare Connections, Inc	27-1287287	LA	13970
Magnolia Health Plan Inc	20-8570212	MS	13923
IlliniCare Health Plan, Inc	27-2186150	IL	14053
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunshine Health Holding LLC	26-0557093	FL	
Sunshine State Health Plan, Inc	20-8937577	FL	13148
Access Health Solutions LLC	56-2384404	FL	
Kentucky Spirit Health Plan, Inc	45-1294925	KY	14100
Healthy Missouri Holding, Inc (95%)	45-5070230	MO	
Home State Health Plan, Inc	45-2798041	MO	14218
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunflower State Health Plan, Inc	45-3276702	KS	14345
Granite State Health Plan, Inc	45-4792498	NH	14226
Bridgeway Advantage Solutions, Inc	46-4195563	AZ	15447
California Health and Wellness Plan	46-0907261	CA	
Fidelis SecureCare of Michigan, Inc.	30-0312489	MI	10769
Silver Summit Health Plan, Inc.	20-4761189	NV	
Agate Resources, Inc.	20-0483299	OR	

## ANNUAL STATEMENT FOR THE YEAR 2016 OF THE CELTIC INSURANCE COMPANY

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART

Lane Individual Practice Association, Inc.	93-1198219	OR	
Trillium Community Health Plan, Inc. (60%)	42-1694349	OR	12559
Trillium Community Health Plan, Inc. (40%)	42-1694349	OR	12559
Agate Properties, LLC	26-4475075	OR	
Independent Professional Services, LLC	93-1198376	OR	
Nebraska Total Care, Inc.	47-5123293	NE	15902
Pennsylvania Health & Wellness, Inc.	47-5340613	PA	16041
Superior HealthPlan Community Solutions, Inc.	47-5664832	TX	15912
Sunshine Health Community Solutions, Inc.	47-5667095	FL	15927
Buckeye Health Plan Community Solutions, Inc.	47-5664342	OH	
Arkansas Health & Wellness Health Plan, Inc.	81-1282251	AR	
Healthy Oklahoma Holdings, Inc.	81-2788043	DE	
Oklahoma Complete Health Inc.	81-3121527	OK	
Bridgeway Health Solutions, LLC	20-4980875	DE	
Bridgeway Health Solutions of Arizona Inc.	20-4980818	AZ	
Celtic Group, Inc	36-2979209	DE	
Celtic Insurance Company	06-0641618	IL	80799
Ambetter of Magnolia Inc	35-2525384	MS	15762
Ambetter of Peach State Inc.	36-4802632	GA	15729
Novasys Health, Inc	27-2221367	DE	
CeltiCare Health Plan Holdings LLC	26-4278205	DE	
CeltiCare Health Plan of Massachusetts, Inc.	26-4818440	MA	13632
Centene Management Company LLC	39-1864073	WI	
CMC Real Estate Co. LLC	20-0057283	DE	
Centene Center LLC	26-4094682	DE	
Centene Center II, LLC	47-5156015	DE	
CMC Hanley, LLC	46-4234827	MO	
Forhan, LLC	47-2914561	MO	
Hanley-Forsyth, LLC	37-1766939	MO	
GPT Acquisition LLC	45-5431787	DE	
Clayton Property Investment LLC	45-4372065	DE	
LSM Holdco, Inc.	46-2794037	DE	
Lifeshare Management Group, LLC	46-2798132	NH	
CCTX Holdings, LLC	20-2074217	DE	
Centene Company of Texas, LP (1%)	74-2810404	TX	
Centene Holdings, LLC	20-2074277	DE	
Centene Company of Texas, LP (99%)	74-2810404	TX	
MHS Travel & Charter, Inc	43-1795436	WI	
Health Care Enterprises, LLC	46-4855483	DE	
Envolve Holdings, Inc.	22-3889471	DE	

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

40.2

Cenpatico Behavioral Health, LLC	68-0461584	CA	
CBHSP Arizona, Inc	86-0782736	AZ	
Cenpatico of California, Inc	47-2595704	CA	
Integrated Mental Health Mgmt, LLC	74-2892993	TX	
Integrated Mental Health Services	74-2785494	TX	
Cenpatico Behavioral Health of Arizona, LLC	20-1624120	AZ	
Cenpatico of Arizona Inc. (80%)	80-0879942	AZ	14704
Envolve, Inc.	37-1788565	DE	
AHA Administrative Services, LLC	47-4545413	AL	
Envolve - New York, Inc.	47-3454898	NY	
Envolve PeopleCare, Inc.	06-1476380	DE	
LiveHealthier, Inc.	47-2516714	DE	
Envolve Benefit Options, Inc.	20-4730341	DE	
Envolve Captive Insurance Company, Inc.	36-4520004	SC	
Envolve Vision of Texas, Inc.	75-2592153	TX	95302
Envolve Vision, Inc	20-4773088	DE	
Envolve Vision of Florida, Inc	65-0094759	FL	
Envolve Total Vision, Inc.	20-4861241	DE	
Envolve Vision of New York, Inc.	06-1635519	NY	
Envolve Dental, Inc.	46-2783884	DE	
Envolve Dental of Florida, Inc.	81-2969330	FL	
Envolve Dental of Texas, Inc.	81-2796896	TX	
Cenpatico of Louisiana, Inc.	45-2303998	LA	15357
Envolve Pharmacy Solutions, Inc.	77-0578529	DE	
LBB Industries, Inc	76-0511700	TX	
RX Direct, Inc	75-2612875	TX	
US Script IPA, LLC	46-2307356	NY	
Casenet LLC	90-0636938	DE	
Casenet S.R.O.	Foreign	CZE	
Centurion Group, Inc	61-1450727	DE	
Centurion LLC (51%)	90-0766502	DE	
Centurion of Arizona, LLC	81-4228054	AZ	
Centurion of Vermont, LLC	47-1686283	VT	
Centurion of Mississippi, LLC	47-2967381	MS	
Centurion of Tennessee, LLC	30-0752651	TN	
Massachusetts Partnership for Correctional Healthcare, LLC	61-1696004	MA	
Centurion of Idaho, LLC	46-3590120	ID	
Centurion of Minnesota, LLC	46-2717814	MN	
Centurion Correctional Healthcare of New Mexico, LLC	81-1161492	NM	
Centurion of Florida, LLC	81-0687470	FL	

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP****PART 1 - ORGANIZATIONAL CHART**

Specialty Therapeutic Care Holdings, LLC	27-3617766	DE
Specialty Therapeutic Care, LP (99.99%)	73-1698808	TX
Specialty Therapeutic Care, GP, LLC	73-1698807	TX
Specialty Therapeutic Care, LP (0.01%)	73-1698808	TX
Specialty Therapeutic Care West, LLC	26-2624521	TX
AcariaHealth Solutions, Inc.	80-0856383	DE
AcariaHealth, Inc.	45-2780334	DE
AcariaHealth Pharmacy #14, Inc	27-1599047	CA
AcariaHealth Pharmacy #11, Inc	20-8192615	TX
AcariaHealth Pharmacy #12, Inc	27-2765424	NY
AcariaHealth Pharmacy #13, Inc	26-0226900	CA
AcariaHealth Pharmacy, Inc	13-4262384	CA
HomeScripts.com, LLC	27-3707698	MI
New York Rx, Inc.	20-8235695	NY
U.S. Medical Management Holdings, Inc	27-0275614	DE
U.S. Medical Management, LLC (20%)	38-3153946	DE
U.S. Medical Management, LLC (48%)	38-3153946	DE
RMED, LLC	31-1733889	FL
IAH of Florida, LLC	47-2138680	FL
Heritage Home Hospice, LLC	51-0581762	MI
Grace Hospice of Austin, LLC	20-2827613	MI
ComfortBrook Hospice, LLC	20-1530070	OH
Comfort Hospice of Texas, LLC	20-4996551	MI
Grace Hospice of San Antonio, LLC	20-2827526	MI
Grace Hospice of Grand Rapids, LLC	45-0679248	MI
Grace Hospice of Indiana, LLC	45-0634905	MI
Grace Hospice of Virginia, LLC	45-5080637	MI
Comfort Hospice of Missouri, LLC	45-5080567	MI
Grace Hospice of Colorado, LLC	45-5080675	MI
Grace Hospice of Wisconsin, LLC	46-1708834	MI
Seniorcorps Peninsula, LLC	26-4435532	VA
R&C Healthcare, LLC	33-1179031	TX
A N J, LLC	20-0927034	TX
Pinnacle Senior Care of Missouri, LLC	46-0861469	MI
Country Style Health Care, LLC	03-0556422	TX
Phoenix Home Health Care, LLC	14-1878333	DE
Traditional Home Health Services, LLC	75-2635025	TX
Family Nurse Care, LLC	38-2751108	MI
Family Nurse Care II, LLC	20-5108540	MI
Family Nurse Care of Ohio, LLC	20-3920947	MI



**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

40.4

Pinnacle Senior Care of Wisconsin, LLC	46-4229858	WI	
Pinnacle Senior Care of Indiana, LLC	81-1565426	MI	
Pinnacle Home Care, LLC	76-0713516	TX	
North Florida Health Services, Inc	59-3519060	FL	
Pinnacle Sr. Care of Kalamazoo, LLC	47-1742728	MI	
Hospice DME Company, LLC	46-1734288	MI	
Rapid Respiratory Services, LLC	20-4364776	DE	
USMM Accountable Care Network, LLC	46-5730959	DE	
USMM Accountable Care Partners, LLC	46-5735993	DE	
USMM Accountable Care Solutions, LLC	46-5745748	DE	
USMM ACO, LLC	45-4165480	MI	
USMM ACO Florida, LLC	45-4157180	MI	
USMM ACO North Texas, LLC	45-4154905	MI	
Health Net, Inc.	47-5208076	DE	
Health Net of California, Inc.	95-4402957	CA	
Health Net Life Insurance Company	73-0654885	CA	66141
Health Net Life Reinsurance Company	98-0409907	CYM	
Health Net of California Real Estate Holdings, Inc.	54-2174069	CA	
Managed Health Network, LLC	95-4117722	DE	
Catalina Behavioral Health Services, Inc.	51-0490598	AZ	
Managed Health Network	95-3817988	CA	
MHN Services, LLC	95-4146179	CA	
MHN Services IPA, Inc.	13-4027559	NY	
Health Net Federal Services, LLC	68-0214809	DE	
MHN Government Services LLC	42-1680916	DE	
MHN Global Services, Inc.	51-0589404	DE	
MHN Government Services-Belgium, Inc.	80-0852000	DE	
MHN Government Services-Djibouti, Inc.	90-0889816	DE	
MHN Government Services-Germany, Inc.	80-0852008	DE	
MHN Government Services-Guam, Inc.	90-0889803	DE	
MHN Government Services-International, Inc.	90-0889825	DE	
MHN Government Services-Italy, Inc.	80-0852019	DE	
MHN Government Services-Japan, Inc.	46-1038058	DE	
MHN Government Services-Puerto Rico, Inc.	90-0889815	DE	
MHN Government Services-Turkey, Inc.	90-0889824	DE	
MHN Government Services-United Kingdom, Inc.	90-0889833	DE	
Network Providers, LLC (10%)	88-0357895	DE	
Health Net Preferred Providers, LLC	61-1388903	DE	
Health Net Veterans, LLC	35-2490375	DE	
Network Providers, LLC (90%)	88-0357895	DE	

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

40.5

Health Net of the Northeast, LLC (25%)	06-1116976	DE	
Health Net of the Northeast, LLC (75%)	06-1116976	DE	
QualMed, Inc.	84-1175468	DE	
QualMed Plans for Health of Colorado, Inc.	84-0975985	CO	
Health Net Health Plan of Oregon, Inc.	93-1004034	OR	95800
HSI Advantage Health Holdings, Inc.	23-2867299	DE	
QualMed Plans for Health of Western Pennsylvania, Inc.	23-2867300	PA	
Pennsylvania Health Care Plan, Inc.	25-1516632	PA	
Health Net Services Inc.	94-3037822	DE	
Health Net Community Solutions, Inc.	54-2174068	CA	
Health Net of Arizona, Inc.	36-3097810	AZ	95206
Health Net One Payment Services, Inc.	54-2153100	DE	
Health Net of Pennsylvania, LLC	n/a	PA	
QualMed Plans for Health of Pennsylvania, Inc.	23-2456130	PA	
FH Surgery Limited, Inc.	68-0390434	CA	
Foundation Health Facilities, Inc.	68-0390438	CA	
FH Assurance Company	98-0150604	CYM	
Health Net Pharmaceutical Services	68-0295375	CA	
Health Net of Arizona Administrative Services, Inc.	86-0660443	AZ	
Health Net Community Solutions of Arizona, Inc.	81-1348826	AZ	15895
National Pharmacy Services Inc.	84-1301249	DE	
Integrated Pharmacy Systems, Inc. (90%)	23-2789453	PA	
FH Surgery Centers Inc.	68-0390435	CA	
Greater Sacramento Surgery Center LP (66%)	68-0343818	CA	
Health Net Access, Inc.	46-2616037	AZ	
MHS Consulting, International, Inc	20-8630006	DE	
PRIMEROSALUD, S.L.	Foreign	ESP	
Centene UK Limited	Foreign	GBR	
The Practice (Group) Limited (75%)	Foreign	GBR	
DC Care Connections, Inc.	81-4266094	DC	
Centene Health Plan Holdings, Inc.	Pending	DE	

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